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Message Text

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42
ACTION AF-18

INFO OCT-01 EUR-25 ADP-00 CIAE-00 DODE-00 PM-09 H-02

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-12 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 IO-12 RSR-01

INT-08 /193 W
---------- 067561
R 301200 Z APR 73
FM AMCONSUL JOHANNESBURG
TO SECSTATE WASHDC 2755
INFO AMCONSUL CAPE TOWN
AMCONSUL DURBAN
AMEMBASSY LONDON
AMEMBASSY PRETORIA

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CAPE TOWN ALSO FOR EMBASSY

E. O. 11652: N/ A
TAGS: ELAB, SF

SUBJECT: REPORT ON MANAGEMENT RESPONSIBILITY AND AFRICAN EMPLOYMENT

1. IN VISIT TO CONSULATE GENERAL APRIL 26, REVEREND BEYERS NAUDE, DIRECTOR OF CHRISTIAN INSTITUTE, PROVIDED INFORMATION ON WORK OF PANEL SET UP IN DECEMBER 1972 BY PALABORA MINING COMPANY (PMC) TO PREPARE REPORT " EVALUATING EMPLOYMENT CONDITIONS AT PMC IN LIGHT OF CURRENT THINKING ON RESPONSIBILITY OF MANAGEMENT TOWARDS EMPLOYEES IN SOUTH AFRICAN CONTEXT." 6- MAN PANEL CONSISTED OF NAUDE, AS CONVENER; CHIEF GATSHA BUTHELEZI; PROFESSOR H. W. E. NTSANWISI, GAZANKULU CHIEF MINISTER; PROFESSOR L. SCHLEMMER, DIRECTOR, INSTITUTE OF SOCIAL RESEARCH, UNIVERSITY OF NATAL;
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L. C. G. DOUWES DEKKER, ASSISTANT SECRETARY, INDUSTRIAL COUNCIL FOR CLOTHING INDUSTRY; AND W. H. THOMAS, ECONOMICS LECTURER, UNIVERSITY OF CAPE TOWN, AS RESEARCH OFFICER. NAUDE GAVE CONGEN COPY OF SEMI- FINAL VERSION OF REPORT ENTITLED " MANAGEMENT CESPONSIBILITY AND AFRICAN EMPLOYMENT" , WHICH BEING FORWARDED AF/ S

2. REPORT PROVIDES DETAILED EXAMINATION OF PMC OPERATIONS WITHIN MACRO- ECONOMIC FRAMEWORK OF OVER- ALL SOUTH AFRICAN ECONOMY AND FOREIGN INVESTMENT IN SA. HOWEVER, WHILE REPORT FOCUSES ON SPECIFIC CASE OF PMC, PANEL' S CONCLUSIONS AND RECOMMENDATIONS LOOK FAR BEYOND THIS INDIVIDUAL OPERATION. IT PROPOSES A DETAILED CODE OF MANAGEMENT RESPONSIBILITY EMBRACING, INTER ALIA, PROVISION OF IMPROVED WAGES AND FRINGE BENEFITS, JOB ADVANCEMENT AND TRAINING, AND IMPROVED COMMUNICATION AND NEGOTIATION BETWEEN WORKERS AND MANAGEMENT. PANEL ALSO DEALS WITH RESPONSIBILITY OF PRIVATE ENTERPRISE, BOTH FOR COMMUNITY WELFARE AND DEVELOPMENT IN WHITE AND BORDER AREAS AND FOR DEVELOPMENT OF HOMELANDS.

3. PANEL COMES OUT CATEGORICALLY AGAINST WITHDRAWAL OF FOREIGN INVESTMENT FROM SA, ARGUING THAT IT ESSENTIAL FOR FURTHER DEVELOPMENT IN COUNTRY , EXPECIALLY IN HOMELANDS . IT URGES ALTERNATIVE POLICY OF " CONSTRUCTIVE ENGAGEMENT" BY " INVESTMENT WHICH IS GEARED TO DEMANDS TO RESPONSIBLE MANAGEMENT."

4. NAUDE STATED DECISION WHETHER REPORT TO BE PUBLISHED, WHICH IS PREROGATIVE OF PMC, WILL BE MADE BY PCM' S BOARD OF DIRECTORS MAY 2. PANEL MEMBERS THEMSELVES STRONGLY HOPE FOR AFFIRMATIVE DECISION, REGARDING DOCUMENT AS IMPORTANT ONE WHICH COULD HAVE MAJOR IMPACT ON SA INDUSTRIAL SCENE. ACCORDING NAUDE, NUMBER OF DIRECTORS OF PMC AND OF MAJOR PARENT COMPANY, RIO TINTO ZINC, IN LONDON FAVOR PUBLICATION. HE DID NOT KNOW WHETHER REPORT HAD BEEN SEEN BY OTHER MAJOR PARENT COMPANY, AMERICAN NEWMONT MINING COMPANY, OR WHAT NEWMONT' S ATTITUDE ON PUBLICATION WOULD BE.

5. COMMENT: REPORT IF PUBLISHED WOULD PROVIDE VALUABLE SUPPLEMENT TO DEPARTMENT' S RECENT EMPLOYMENT PRACTICES PAPER IN SP
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*** Current Classification *** LIMITED OFFICIAL USE

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CAPE TOWN
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LONDON
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Type: TE

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